

whether ADSL constitutes an interstate access service; (2) whether ADSL should be unbundled from GTE's frame relay service pursuant to the Commission's expanded interconnection rules; (3) whether GTE's tariff raises questions regarding the reasonableness and the clarity of the tariff terms and conditions; and (4) whether the rate levels were reasonable.

Of these issues, the Commission designated only the jurisdictional question for investigation. While it is perhaps reasonable for the Commission to defer consideration of the other issues outlined in the GTE Suspension Order until it determines whether it has jurisdiction over ADSL services, the Commission should not allow these "substantial questions of lawfulness" to simply fall by the wayside. Once the Commission has decided the "threshold issue" of whether the ILECs' ADSL tariffs are properly tariffed at the federal level, the Commission should return to the issues listed in the GTE Suspension Order either in the Advanced Services proceeding or in a separate proceeding focused on the terms and conditions under which ILEC ADSL services may be offered.

- In addition to the issues raised in petitions to suspend and investigate the ILEC ADSL tariffs, there appear to be price cap and separations issues that are implicated by ADSL and that should be examined by the Commission. First, while the ILECs characterize their ADSL services as "analogous" to special access services, it is not clear whether the ILECs intend to treat their ADSL services as special access services for price cap purposes or whether it is appropriate to treat ADSL services in this manner.

Nor is it clear in which "High Cap & DDS" subcategory the ILECs plan to include ADSL services.

Second, there may be separations-related issues implicated by ADSL. The ILECs have characterized the high-speed data service that they will provide using ADSL as "analogous" to special access services subject to the "10 percent rule."³⁸ Yet, the same ADSL-equipped loop that is being used to provide this service can continue to be used for ordinary voice local exchange and exchange access services.³⁹ Given that private lines and common lines are distinct separations categories subject to different separations rules,⁴⁰ it is not clear how the ILECs plan to treat ADSL-equipped loops for separations purposes.

³⁸See, e.g., Pacific Bell Direct Case at 13.

³⁹Advanced Services Notice at ¶29

⁴⁰See 47 C.F.R. §36.154(a) - (c)

VI. Conclusion

The Commission should conclude this investigation by finding that the ILECs' ADSL service offerings are properly tariffed at both the federal and state levels. The Commission can reach this conclusion without needing to address the wholly separate issue of whether one particular use of ADSL services -- connecting ISP end users to other end users -- is interstate or intrastate in nature. The Commission should not reach beyond the question presented for investigation to address Internet-related jurisdictional issues in this proceeding.

Respectfully submitted,
MCI WORLDCOM, INC.



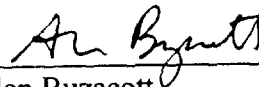
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September 18, 1998

STATEMENT OF VERIFICATION

I have read the foregoing, and to the best of my knowledge, information, and belief there is good ground to support it, and that it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct. Executed on September 18, 1998.



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